



**United States Senate**  
**Committee on Homeland Security and Governmental Affairs**  
Senator Susan M. Collins, Chairman

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**Statement on substitute amendment to S.21, Homeland Security Grant Enhancement Act**  
**Committee Business Meeting**  
**April 13, 2005**

The passage of the Homeland Security Act three years ago was recognition that defending our nation in an age of terrorism requires leadership as well as cooperation among all levels of government. Yet that 187-page law is virtually silent on how this crucial partnership would be forged. The issue of grants to help our first responders merits but a single paragraph. There is no guidance on how, where or why these federal dollars should be spent. As a result, we find ourselves in an escalating argument over whether these resources are being allocated and spent properly. This argument increasingly and regrettably pits our urban centers against our rural regions.

This Committee saw the need to resolve this argument fairly and responsibly when we reported out the Homeland Security Grant Enhancement Act in the last Congress. The Senate included the Act as part of our intelligence reform legislation.

The substitute version we take up today builds upon those efforts. It strengthens our commitment to risk-based funding. It streamlines and simplifies the grant process. It allows our state and local partners greater flexibility in putting funds to the best use. It imposes new accountability measures to ensure that dollars are spent wisely. By authorizing this program, we will provide appropriators with guidance.

This substitute authorizes funding at \$2.925 billion, the amount spent on state and local programs in FY 2004. First, the substitute adopts a sliding-scale minimum allocation amount. At 0.55 percent, it would be a lower minimum than before, but applied to a base that includes all homeland security grant funding. In addition, the minimum is scaled so that states with larger populations and higher population densities would receive additional funds.

The remainder of the total funds would be distributed to states and regions based purely upon an assessment of risk, threat, and consequences. First, up to 50 percent of the funds would be distributed to metropolitan centers. By encouraging cities, counties, and tribal jurisdictions to apply for these grants together, and by turning this grant-making into a competitive process, the substitute will foster cooperation as well as a “team” approach to security. Second, funds would be distributed to all states based on risk factors that include the presence of critical infrastructure, borders, and coastline.

S. 21 makes a significant investment in threat-based funding. The choice must not be between protecting skyscrapers or farms and feedlots. Or chemical plants in industrial zones versus the rural communities trucks and trains carrying those chemicals pass through.

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In fact, a recent study conducted by the Harvard School for Public Health, with co-leadership by the Maine Department of Health and Human Services and participation by 26 states, shows that rural areas face unique and serious homeland security challenges. A great many power and water supplies, as well as virtually our entire food supply, are located outside of urban areas. In addition, rural areas have far less capacity to deal with a public health crisis. The point is not to force urban and rural America to compete, but to recognize and accommodate the differences.

This legislation provides for that. In addition to a more fair and stable funding formula, it sets up a means by which local needs can be objectively evaluated. Guided by a task force of first responders, and working off the just-released Interim National Preparedness Goals, the Secretary would establish the “essential capabilities” to be achieved by states and localities to ensure first responders have the support they need. Essential capabilities are the levels of training, equipment, and planning emergency personnel need to do their jobs, in the context of local conditions. This will bring a new and much needed measurement tool into the grant-making process.

The regular participation by first responders will enable another requirement added to S. 21, that equipment purchased with federal funds meet voluntary consensus standards for safety and interoperability. These provisions enjoy strong support within the first responder community.

Objective measurement of needs is a major step toward an overall improvement in accountability that S. 21 will provide.

Additional accountability measures in S. 21 will prevent wasteful and potentially fraudulent expenditures through robust reporting requirements and by requiring expenditures to be tied to achieving preparedness goals and improving essential capabilities. The clear definition of essential capabilities will allow spending to be tied directly to standards. This is the first barrier to wasteful spending. The second measure is a thorough annual audit by the Government Accountability Office, which will report to Congress on DHS grants to states. An interagency task force will help ensure that first responder funding from multiple federal agencies are spent in a coordinated manner, not to purchase duplicative or incompatible items. Grant recipients will be subject to robust reporting requirements to justify and verify expenditures. Finally, S. 21 authorizes the Secretary to terminate or reduce grant payments if a state or locality fails to comply with all requirements.

The measures contained in S. 21 are long overdue. In the immediate aftermath of September 11<sup>th</sup>, we acted quickly to shore up our defenses, and we have seen considerable progress. We also have seen problems that we can no longer ignore. These problems, if allowed to accumulate, will erode public confidence in our ability to strengthen homeland security.

Whenever I meet with first responders, in my home state or elsewhere, I am always struck by the fact that hardly any of these brave, dedicated men and women went into law enforcement, firefighting or emergency medical services ever thinking that they would end up on the front lines of the war against terrorism. They have been handed an unprecedented and unimagined challenge and they have accepted it willingly. They deserve the equipment, training, planning, input, accountability, and stability that S. 21 will provide.

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